

## HUD RECOVERY ACT JOBS REPORTING

[Based on OMB [M-09-21](#)]

Job reporting is required by Prime Recipients only, although this responsibility can be delegated down. Jobs are reported as two separate fields – a numeric field and a separate narrative with an expanded description of the job creation and reporting methodology.

The Narrative Field requires a brief description of the types of jobs created and jobs retained. “Jobs or positions created” means those new positions created and filled, or previously existing unfilled positions that are filled, as a result of Recovery Act funding. “Jobs or positions retained” means those previously existing filled positions that are retained as a result of Recovery Act funding. This description may rely on job titles, broader labor categories, or the contractor’s existing practice for describing jobs as long as the terms used are widely understood and describe the general nature of the work. For example, if you have used Davis-Bacon classifications in the past, you may choose to apply that definition in this case.

The Numeric Field requires the number of jobs created or retained as one number using a standard calculation, translating both full and part time employees into “full-time equivalents”, or FTEs. This calculation is performed by adding the total hours worked by all employees that are funded by the Recovery Act, and dividing by the total hours in a full-time schedule. When performing this calculation, note the following:

- Disregard the distinction between ‘created’ and ‘retained’. Simply count all employees paid for with Recovery Act funds.
- In those cases where employees have multiple duties and only a portion of those projects are funded by Recovery Act, then only the Recovery Act funded hours are counted for the FTE calculation.
- For any project or activity with multiple funding sources, regardless of whether they are funded in whole or part by Recovery Act programs, recipients should report only on the jobs and funding attributable to the award under the Recovery Act. Please see below for further guidance on this point.

Here is an example calculation using a typical recipient’s forty-hour work week (assuming 40 Recovery Act-funded hours):

40 hours x 52 weeks = 2080 hours in a year  
2080 hours / 4 = 520 hours in the first quarter  
520 x 2 = 1040 cumulative hours in the second quarter  
520 x 3 = 1560 cumulative hours in the third quarter  
520 x 4 = 2080 cumulative hours in the fourth quarter  
520 x 5 = 2600 cumulative hours in the first quarter of the second year  
520 x 6 = 3120 cumulative hours in the second quarter of the second year  
And so on...

The first quarter in this example may not correspond to the first quarter of a grantee’s fiscal year or a program year. The first quarter is the quarter during which Recovery Act compensated jobs started.

Here is an example of the FTE calculation with just one Recovery Act-funded permanent employee:

1<sup>st</sup> quarter: total hours worked (520) / 520 = report 1 FTE  
2<sup>nd</sup> quarter: Use the cumulative hours worked (1040) / 1040 hours = report 1 FTE  
3<sup>rd</sup> quarter: Use the cumulative hours worked (1560) / 1560 = report 1 FTE  
And so on....

2<sup>nd</sup> quarter of 2<sup>nd</sup> year: use the cumulative hours worked (3120)/3120 = report 1 FTE

Here is an example of the FTE calculation with multiple Recovery Act-funded employees of different types:

Period	3rd qtr	4th qtr	1st qtr	2nd qtr	3rd qtr	4th qtr
Full-time Schedule	520	1040	1560	2080	2600	3120
Full-time employee 1	520	1040	1560	2080	2600	3120
Full-time employee 2	520	1040	1560	2080	2600	3120
Part-time employee (half time)	260	520	780	1040	1300	1560
Temporary employee (650 hrs.)	0	0	130	390	650	650
Total hours worked	1300	2600	4030	5590	7150	8450
<b>Quarterly FTE</b>	<b>2.50</b>	<b>2.50</b>	<b>2.58</b>	<b>2.69</b>	<b>2.75</b>	<b>2.71</b>

Calculate FTEs in groups according to the number of hours in a standard full time work week. For example, if three contractors have a standard full time work week of 35 hours, and all other contractors have a 40 hour week, OMB says we should calculate the FTEs separately for the first group of three contractors and then all others, and then add the final Quarterly FTEs together.

#### REPORTING ON PROJECTS PARTIALLY FUNDED BY THE RECOVERY ACT

If a project is fully funded by Recovery Act funds, report all jobs created or retained by that project. However, if a project is partially funded by Recovery Act funds, calculate the proportion of Recovery Act funding against the full funding for the project. Using that proportion as a basis, calculate an equally proportionate share of the total jobs created by the project. This proportionate share of the jobs is the amount that should be reported as jobs created or retained into FederalReporting.gov.

For example, State X receives an award and with the funds hires Contractor Y to refurbish the Route 1 Bridge. Contractor Y is the only entity receiving funds from State X for this project. The project is funded with 20% recovery funds and the rest from other sources. State X should request Contractor Y report how many jobs were created or retained at Contractor Y as a result of being hired for this project. Once State X obtains the number of jobs created/retained reported by Contractor Y, 100 jobs, then State X must lower the total by the proportionate amount that the project is funded with Recovery dollars. In this case, State X would report 20 jobs created/retained for the project, which was used to fund the Route 1 Bridge Project.

State X is not required to ask Contractor Y to distinguish between Recovery Act dollars going to supplies vs. salaries. State X is not required to ask Contractor Y to report jobs created or retained by subcontractors or suppliers. State X is not required to ask any other entities about job creation related to this project.

#### PRIME RECIPIENT REPORTING ON SUB-RECIPIENT AND VENDOR ACTIVITIES

Prime recipients are required to generate estimates of job impact by directly collecting specific data from sub-recipients and vendors on the total FTE resulting from the sub-award. Again, direct counting is the preferred estimation method.

In limited circumstances the prime recipient may employ a statistical methodology to generate estimates of job impact, collecting data only from a smaller subset of sub-recipients and vendors. These limited circumstances should only include instances where comprehensive collection of jobs data from all sub-recipients and vendors is overly costly or burdensome or disrupts the prime recipients' ability to accomplish their underlying

mission. Examples of instances where a statistical method may be a satisfactory alternative may include the following circumstances:

- A recipient may be responsible for administering a substantial amount (e.g., tens of millions of dollars) of Recovery Act funds that are distributed to a multitude of projects (e.g., hundreds), each having a large number of distinct sub-recipients and vendors. In such instances, the number of sub-recipients and vendors receiving Recovery Act funds may be sufficient in number to support an effort that identifies a representative sample and to use statistical methods that yields valid and robust information on the number of jobs created and jobs retained.
- A recipient may be funding a set of projects where the operating characteristics and nature of the work performed by sub-recipients are equivalent for these projects, so that having detailed job information on a sample might yield reliable statistics to use in developing estimates for the remainder of the population. An example might be a situation where all of a prime recipient's contracted sub-recipients working on projects funded by the Recovery Act employ the same type of experienced workforce; are required to perform the same tasks; face the same prices and market conditions; and utilize the same amount of labor in their production practices.
- A recipient may have a pre-existing validated statistical method it has recently used to generate information on direct job effects attributable to the receipt of federal government funds for the same type of projects designated to receive Recovery Act funds. In this instance, the recipient may consider seeking permission to transfer this direct job estimation method to quantify the direct job effects associated with projects supported by the Recovery Act funds.

If a prime recipient proposes to use a statistical methodology to estimate jobs data, the recipient must notify their HUD program contacts no later than Sept. 10<sup>th</sup>, 2009, for October 2009 reporting. The recipient will work with HUD to arrive at an approved methodology. In addition, HUD will have to obtain concurrence from OMB. The recipient must provide documentation of the following:

- 1) A justification as to why an alternate methodology is needed. This must address the reasons why the direct collection of information from all sub-recipients and vendors is overly costly or burdensome for the Prime Recipient.
- 2) A technical description of the proposed methodology. This should include sufficient detail and supporting documentation of the sample design and estimation procedures so that the validity of the methodology can be assessed.
- 3) A statement of the qualifications of the persons who will be carrying out the statistical methodology.
- 4) A statement on the length of time the Prime Recipient anticipates making use of the statistical method (e.g., the first effective Section 1512 recipient reporting period; or for an extended period of time, such as the duration of the period during which the project receives Recovery Act funds); and
- 5) Point of contact information including telephone and e-mail information for transmitting HUD and OMB response, and any follow-up questions arising during the review of the request.

Recipients seeking to use statistical methods are advised to make use of information contained in OMB's Guidance on Agency Survey and Statistical Information Collections and Standards and Guidelines for Statistical Surveys. These documents describe professional principles and practices that Federal agencies are required to adhere to and the level of quality and effort expected in all statistical activities, and as such, can serve as a useful guide to recipients of Recovery Act funds.

In some cases recipients will not perform the work themselves, but will distribute the funding via a grant,

loan, or contract to another entity. In these cases recipients will provide estimates of the jobs created or retained by those entities. Again, direct counting is the preferred estimation method.

### INDIRECT JOBS

Recipients should not attempt to report on the employment impact on "indirect" jobs or "induced" jobs.

Here is a description of job types from the President's Council of Economic Advisers Guidance On Reporting Jobs:

- Direct jobs, which are the job-years created in the actual government-sponsored project.
- Indirect jobs, which are the job-years created at suppliers who make the materials used in the project.
- Induced jobs, which are the job-years created elsewhere in the economy as increases in income from the direct government spending lead to additional increases in spending by workers and firms.

### CLARIFICATION ON THE NUMBER OF QUARTERS TO USE FOR OCTOBER 2009 REPORTING

For the first recipient reports to be submitted by October 10, 2009, recipients must include, at a minimum, the job estimates for the first two full reporting periods ending June 30, 2009, and September 30, 2009. If a recipient has cumulative data since the passage of the Recovery Act on February 17, 2009, it should report job estimates using the equation above and include the prorated hours in a full-time schedule for the time period of February 17, 2009, through the end of that period, March 31, 2009.

For an example, assume that a recipient's full-time schedule for a quarter is 520 hours (2080 hours in a work-year divided by 4) and that the reporting quarters are the following time periods ending March 31, 2009, for Q1; June 30, 2009, for Q2; and September 30, 2009, for Q3. For the first recipient report due October 10, 2009, the recipient will use the following denominator in its calculation:

$$[\text{Cumulative Hours in a Full-Time Schedule}] = [\text{Prorated Hours for Q1}] + [\text{Hours for Q2}] + [\text{Hours for Q3}]$$

*Using the example:*

$$[\text{Cumulative Hours in a Full-Time Schedule}] = [248 \text{ Hours}] + [520 \text{ Hours}] + [520 \text{ Hours}] = [1288 \text{ Hours}]$$